

**WISCONSIN RIVER RAIL TRANSIT COMMISSION – Executive Committee**  
**10 September 2004** | Dane County Highway Garage | 2302 Fish Hatchery Rd, Madison

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**Chairman Shroble called the meeting to order at 10:03 a.m.**

**Executive Committee Member Roll Call:**

William	Agnew	Rock	Present
Steve	Foye	Iowa	Present
Gene	Gray	Dane	
Marion	Martin	Grant	Present
Karl	Nilson	Waukesha	Present
Ted	Sheckler	Crawford	Present
Gerald	Shroble	Walworth	Present
Ed	Stoltz	Waukesha	Present
Robert	Sinklair	Sauk (alternate)	Present

**Other Commissioners Present:** Phil Blazkowski (Rock). **Others Present:** Joni Graves (SWWRPC/WRRTC staff); Roger Larson (WisDOT District 1); Ken Lucht (WSOR); Eileen Brownlee (WRRTC Attorney); Frank Huntington (WisDOT); Jim Matzinger (Dane County Transportation/WRRTC staff); Roth Schleck (Dane County resident); Delrosa Bruns (Middleton resident); Virgil Kasper (Pink Lady Rail Transit Commission).

**Proof of Public Notice / Motion to Approve / Stoltz / Sheckler / Motion passed unanimously.**

**Agenda / Motion to Approve / Nilson / Stoltz / Motion passed unanimously.**

**Minutes / Motion noting for the record that the Minutes of the 6 August 2004 meeting were not available and will be provided at the October meeting / Nilson / Stoltz / Motion passed unanimously.**

There were several positive comments about the new format for the Agenda, which provides an estimated time for each item.

**Wisconsin & Southern Railroad – Operator’s Report – Ken Lucht**

**Monthly Operations:**

- City of Waukesha Industrial Park Access
- Bardwell Siding Rail Project
- General Maintenance Activities

**State Rehab Projects:**

- Update on Milton Junction to Anderson Siding Project (2004)
- Proposed Hartford to Slinger Rehab Project (2005)

**Continuing Issues / Topics:**

- Canadian National abandonment of rail line in Eastern WI
- WSOR's 5 + 1 Plan

## **WisDOT Report – Frank Huntington**

- **Clarification of invoicing process** – Commissioner Foyehad asked for an explanation of the process of getting project costs reimbursed so that vendors can be paid. Huntington explained that as it is currently structured, the bills go to the Commission but that WisDOT's agreement is with WSOR. There have been some questions raised at the state level about whether entities such as WRRTC are required to pay sales taxes on these types of projects. Huntington explained that in the future WisDOT will continue to contract with the railroad but that the railroad will buy the materials directly and pay the sales tax. In the future, he explained, WisDOT may have two contracts – one with the railroad and one with the rail transit commission that covers the area where the project is located. In his opinion, this would speed up the process. As an example, Matzinger explained that with the most recent bill, it had been more than two months and WRRTC had yet to receive the funds. The current process was discussed: WRRTC receives the invoices and sends them the railroad; the railroad requests reimbursement from WisDOT; and WisDOT processes and sends a check to the railroad; and the railroad in turn reimburses WRRTC. Ken stated, "...we'll just pay the sales tax and the projects will cost more for each county." Graves clarified that the issue of paying the sales tax was independent of the invoice/reimbursement process and that the sales tax issue had come to the fore because of legal opinions from the State Department of Revenue. Blazkowski referenced a state law that required that a public body has to pay its bills within 30 days and our attorney, Eileen Brownlee elaborated that a public body can stipulate other terms in its contracts. Huntington concurred regarding the sales tax issue, noting that although there was no formal decision by the Department of Revenue, there were guidelines and that WisDOT's opinion was that it would likely be better to pay the sales tax and perhaps have two contracts in the future. Brownlee explained that there had been a bill in the legislature to make government entities exempt from sales tax on construction-related costs, but that it had been vetoed by then-Governor Thompson. Further discussion considered what some other options might be in the future. Stoltz asked for verification that the WRRTC had sufficient funds to pay the current bill.

## **WRRTC Financials – Jim Matzinger**

- **Treasurer's Report** – Matzinger provided an update on WRRTC's projected operating expenses for 2005, which are projected to include staff services, attorney's fees, auditor's fees, and insurance, noting that the options to cover these costs include: 1) assessing member counties more money; 2) negotiating with WSOR on the terms of the lease in order to increase revenue; 3) allocating interest payments, which are approximately \$6,000/year, towards operating funds which would cover a portion of the expenses. Frank Huntington and Ken Lucht agreed that, in the past, the lease with the railroad had been for \$50,000/year but that the annual payment had been negotiated and reduced. After some discussion, and to clarify some of the points that had been raised, Graves reviewed the history of recent Motions by the Commission related to its finances.
- *Because Eileen Brownlee was in attendance to discuss to the draft Cost Sharing Agreement and had to leave at 11:45, this item was moved up on the Agenda.*
- **Project Cost Sharing Agreement** – Eileen Brownlee  
The Project Cost Sharing Agreement was adopted by EWCRC at its meeting on May 8<sup>th</sup>, which both Graves and Matzinger had attended. Brownlee explained that the agreement, which had been presented in draft form to the WRRTC at its May meeting, provides: 1) a mechanism for how the cost sharing would operate; 2) a mechanism for withdrawal; and 3) specifies what would happen with asset allocation if one or both parties were to want to withdraw. Stoltz asked about the Joint Sub-Committee that is stipulated by the agreement, noting that since Commissioners aren't paid, who would do that, and suggesting that a per diem be paid by the RTC(s). Other questions also focused on process-related issues. Huntington explained that the

Commission would be giving full authority to the Joint Sub-Committee to have their staff pay bills related to approved projects. Brownlee concurred, explaining that instead of bills going through all of the participating commissions, the Joint Sub-Committee would meet to approve the bills. Discussion then centered on the logistics, with Huntington suggesting that the Commission with the project in its area would likely have the primary role of staffing the Joint Sub-Committee. Another Commissioner then pointed out that meetings would have to be scheduled, properly noticed, minutes taken, and etcetera. After further discussion it was noted that "It is not as easy as it looks." Jim Matzinger spoke to the importance of the agreement if cost-sharing is to proceed, explaining that the Dane County Executive had raised concerns about allocating money for a project outside of the Commission's region unless a formal agreement were to be approved. Graves summarized the history of Motions made by the Commission in the past year, explaining how and why the Commission had moved in this direction. Nilson concluded, "If we approve, then our staff talks with their staff and Eileen talks with John Corey and we invoice our counties. Let's approve this and their staff will work with our staff to figure it out." **Motion to approve the Cost Sharing Agreement with EWCRC, as presented, and to forward it to the full WRTC for its November meeting / Nilson / Foye / Motion passed unanimously.**

#### **Open Meeting Law Requirements –**

Graves requested that, since the Executive Committee had established two Sub-Committees, and had tentatively approved participation in the Joint Sub-Committee, it would be helpful if Brownlee would explain the Open Meeting Law requirements. Brownlee summarized the requirements and subsequently provided a written Memorandum outlining them. *The Memorandum is included with the mailing for the October meeting and will also be appended to these Minutes.*

#### **Treasurer's Report – Part II**

- **Motion that each WRTC member county contribute \$17,000 for 2005, to be used for its share of WRTC's operating costs and to cover its portion of the shared project costs agreed to in the Cost Sharing Agreement with EWCRC; that the WRTC not go to the railroad for more money at this time; and that it would be up to each county to determine whether it would make its respective contribution with new funds, from its reserve funds held by the WRTC, or some combination of the two / Nilson / Foye / Motion passed unanimously.** Graves and Matzinger will work on sending this budget request to each WRTC Executive Committee member prior to the next meeting.
- **Invoices** – Matzinger presented invoices from Dane County, Johnson Block, and Progress Rail (noting that the money to pay this bill had not yet been received from WSOR). **Motion to approve the invoices, as presented / Foye / Sheckler / Motion passed unanimously.**

#### **Updates:**

- **Sub-Committee for the Mazomanie Request** (see the August 2004 Minutes) – Foye reported that he, Ken Lucht, Gene Gray, and others from Mazomanie had met at the site. The preferred idea was for the local proponents of the project to meet with the owners of the Roundy's property to discuss a possible lease to grant the railroad access to the area. He said that the proposed beautification is a nice plan for Mazomanie. WRTC would want an agreement in writing with all parties, including WisDOT and the railroad. The second option would be the creation of a new switch, but that there are logistical issues and it would be very expensive and the cost would have to be borne by the local group. He concluded that, at this point, it's up to them to present a local solution but that there has been positive response to the work that's been done and to the concept.

- **Staff Services Sub-Committee** – Foyesaid the sub -committee hasn't met, but that it would meet and plan to present at the next meeting. He explained that he was working on four or five different options to present. Karl Nilson said that he was not going to serve on the Sub-Committee, since he is satisfied with current staffing and doesn't want to change. Foyestated that Larry Ward (Executive Director of SWWRPC) wants a change. Graves said "No, Larry Ward asked for clarification that SWWRPC's staff reports to the WRRTC, but SWWRPC has not said that it wanted a change." Graves explained that she had met, as directed, with the Chair and that he had recommended three people for the committee, as specified under the terms of the Motion forming the Sub-Committee. With Nilson's declining to serve in this capacity, a third member would need to be appointed. Gene Gray was appointed in absentia with Graves to contact him. Nilson reiterated Brownlee's earlier points: "You have to notice the meeting, meet in public, and Joni will notice the meeting."

**The meeting adjourned at 12:05 p.m.**